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MSM to raise utilisation rate of Johor refinery

By S. Birruntha - January 16, 2024 @ 4:02pm



MSM Malaysia Holdings Bhd is planning to increase the utilisation rate of its Johor refinery to 50 per cent by the end of this year. NSTP/AMRAN HAMID

PASIR GUDANG: MSM Malaysia Holdings Bhd is planning to increase the utilisation rate of its Johor refinery to 50 per cent by the end of this year.

Group chief operating officer Hasni Ahmad said the current utilisation rate of MSM Sugar Refinery (Johor) Sdn Bhd is around 40 per cent.

He added that the plan is to increase the utilisation rate for Johor every year, aligning with market demands.

"As the market evolves, we will progressively boost Johor's utilisation," he said in a media familiarisation visit to MSM Johor here today.

Hasni noted that reliability improvement will be MSM Johor focus for 2024.

He said this year, MSM Johor has completed its second boiler change out works for sustainable refinery reliability and availability.

"The work and procedures have been certified to be fully compliant with standard industry requirements and policies, particularly with regard to safety and quality.

"For added mitigation, MSM Johor is in the initial phase of third boiler procurement to further strengthen operations sustainability," he noted.

Hasni also said there is tremendous headroom to grow the exports with an over 5.0 million tonnes per year market in Asia Pacific where MSM Johor has a geo-strategic advantage in the supply chain of retail and industry.

He added that the planned improvement programme aims to not only boost the production utilisation factor (UF) but also align with MSM Johor's vision of becoming a world class sugar refining centre.

In November 2023, based on a single boiler, MSM Johor recorded its highest daily melting achieved at 1,039 tonnes in October at 34.6 per cent UF, 1,308 tonnes in November 43.6 per cent UF and target to achieve 1,416 tonnes at 47.2 per cent UF in December 2023.

The goal moving forward is to make the highest melting as an average melting rate throughout the month which will require the refinery to be more reliable and optimised.

Over the years, Hasni said MSM has developed a strong foundation and continually transform the business model to enhance production efficiency, capacity, and sustainability.

"Amid prolonged challenging environment with high input costs due to increase in global raw sugar, freight and natural gas as well as cost associated to the weakening of ringgit, the local sugar industry remained resilient.

"The sugar refining business is capital intensive in nature. Investments in fixed and long-term assets are inherent to the business.

"Continuous maintenance and rejuvenation are vital to ensure the assets have a longer life span, in addition to centralising operational maintenance plans via digitalisation," he noted.

Moving forward, among future plans for MSM Johor is to incorporate green energy initiatives such as biomass from palm oil empty fruit bunch and installation of solar panels to supplement the energy requirements.

MSM is currently managing most of its wastes in a circular economy.

For example, its sugar refining byproduct precipitate, namely mudcake, is converted into fertilisers, and molasses into high value products.

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